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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

MONTEREY GOURMET FOODS,  
INC., a Delaware corporation,

Plaintiff,

vs.

WINDSOR QUALITY FOOD  
COMPANY LTD., a Texas Limited  
Partnership; and DOES 1 through 20,  
inclusive,

Defendants.

No. C08-01316 (JCS)

Case assigned for all purposes to  
Hon. Joseph C. Spero

**REPLY MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT OF  
COUNTERDEFENDANT MONTEREY  
GOURMET FOODS, INC.'S MOTION TO  
DISMISS COUNTERCLAIM OF WINDSOR  
QUALITY FOOD COMPANY, LTD.  
FRCP RULE 12(b)(6)**

Date: August 15, 2008  
Time: 1:30 p.m.  
Courtroom A (Hon. Joseph C. Spero)  
Trial Date: Not Set

Accompanying Papers: Declaration of  
Kathryn J. Allen; Companion Reply on  
Special Motion to Strike

AND RELATED COUNTERCLAIM.

Plaintiff and Counterdefendant Monterey Gourmet Foods, Inc. ("MGF") respectfully submits the following memorandum of points and authorities in reply to the opposition filed by Windsor Quality Food Company, Ltd. ("Windsor") to MGF's alternative motion to dismiss the counterclaim of pursuant to FRCP Rule 12(b)(6).<sup>1</sup>

<sup>1</sup> This motion accompanies MGF's special motion to strike the counterclaim, and is in the alternative to that motion. If the special motion to strike is granted, this motion becomes moot.

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## I. PRELIMINARY STATEMENT

Realizing that it has not and cannot adequately plead a case for fraud, Windsor practically stands on its head to avoid dismissal of its counterclaim. Its opposition, like its counterclaim, studiously avoids mention of any *facts* that would support a claim that the U.S. Patent and Trademark Office ("USPTO" or "PTO") was defrauded in granting MGF registration for *Monterey Pasta Company*® back on January 30, 1996. Rather, Windsor attempts to deflect attention from its lack of a case, by questioning (but not refuting) the authenticity of readily ascertainable matters that cannot be in dispute, and resorting to the refrain that fraud pleadings count for nothing, and suggesting it would be premature to assess their adequacy on a motion to dismiss.

But Windsor's opposition is a smokescreen. On its face, and even without resort to the judicially cognizable record, Windsor's counterclaim does not come close to alleging the requisite facts to state a fraud claim, and in fact, affirmatively demonstrates that one cannot be stated. And when the record is considered, one which this Court can properly consider on judicial notice, it is apparent that Windsor's fraud claim is not only deficient, it is itself a hoax, and does not deserve to survive this motion to dismiss, or warrant leave to amend.

## II. THE GIST OF WINDSOR'S COUNTERCLAIM

Windsor tells us that its counterclaim is brought under 15 U.S.C. § 1120 (Section 38 of the Lanham Act), entitling a party to bring a civil action for damages based upon the procurement of a trademark registration by false means. [Opposition Brief, 2:11-15.] It cites *T.A.D. Avanti, Inc. v. Phone-Mate, Inc.*, 1978 WL 21444, 199 U.S.P.Q. 648 (C.D.Cal. 1978) for the proposition that an applicant for registration of a trademark must be truthful in its communications with the USPTO. MGF agrees, but that proposition begs the question of whether Windsor has adequately pleaded a case to demonstrate that MGF was not truthful as to material matters leading to the registration of its mark. *Avanti* has nothing to do with the standard of pleading required for a fraud case.

### III. LEGAL ARGUMENT

#### A. Windsor's counterclaim fails to explain how MGF's alleged actions were in any way fraudulent, or relied upon by the USPTO.

##### 1. The pleading requirements for a fraud claim.

Even setting aside the matters which are judicially cognizable by the Court (discussed in Subpart B below), the fraud claim cannot withstand this motion to dismiss. Windsor seemingly invites examination of its counterclaim. [Opposition Brief, 3:3-3:24.] In doing so, it correctly summarizes the requisite elements for a claim for fraud on the USPTO from *Federal Treasury Enterprize Sojuzplodoimport v. Spirits Int'l N.V.*, 425 F.Supp.2<sup>nd</sup> 458 (S.D.N.Y. 2006) ("the *Stoli* case"), as follows:

"Plaintiffs must allege: (1) a false representation regarding a material fact; (2) knowledge or belief that the representation is false; (3) an intention to induce the listener to act or refrain from acting in reliance upon the misrepresentation; (4) reasonable reliance upon the misrepresentation; and (5) damage proximately resulting from such reliance. 3 J. Thomas McCarthy, Trademarks and Unfair Competition § 31.21(2)(a), at 31:96 (4th ed.2004); *Dial-A-Mattress Operating Corp.*, 841 F.Supp. at 1353."

425 F.Supp.2<sup>nd</sup> 467 -468.

What Windsor avoids mentioning, is the Southern District of New York's ruling as to *how* these elements must be pleaded:

"Like all allegations of fraud, a claim that fraud has been committed on the Patent and Trademark Office must be pled with the particularity required by Federal Rule of Civil Procedure 9(b). See, e.g., *Kash 'N Gold Ltd. v. Samhill Corp.*, 90 Civ. 1097, 1990 WL 196089 (S.D.N.Y. Nov.29, 1990). The party pleading fraud on the Patent and Trademark Office must "specify the statements that [it] contends were fraudulent" and "explain why the statements were fraudulent." See *Shields v. Citytrust Bancorp, Inc.*, 25 F.3d 1124, 1128 (2d Cir.1994)."

425 F.Supp.2<sup>nd</sup> 468.

Indeed, the *Stoli* case partially relied upon New York state and district court law to grant the defendant's motions to dismiss for failure to state facts sufficient to maintain claims for fraud. 452 F.Supp.2<sup>nd</sup> 468-69, 473-74. Further, it cited to another case that has important ramifications for Windsor's pleading. In *Kash 'N Gold, Ltd. v. Samhill Corp.*, 1990 WL 196089 (S.D.N.Y. 1990), the district court dismissed a deficient

1 counterclaim while setting out the rules for pleading fraud on information and belief, *the*  
 2 *very heart of Windsor's fraud theory (Paragraphs 9 and 10):*

3 "As a preliminary matter, it is well-established that fraud pleadings  
 4 generally cannot be based on information and belief. *Stern v. Leucadia*  
 5 *National Corporation*, 844 F.2d 997, 1003 (2d Cir.1988) cert. denied, 488  
 6 U.S. 852, 109 S.Ct. 137, 102 L.Ed.2d 109 (1988); See also *Di Vittorio v.*  
 7 *Equidyne Extractive Industries*, 822 F.2d at 1247; *Segal v. Gordon*, 467  
 8 F.2d 602, 608 (2d Cir.1972). However, it is also well-established that this  
 9 general rule should be interpreted to allow pleading fraud allegations on  
 10 information and belief as to facts peculiarly within the opposing party's  
 11 knowledge. **In these circumstances the allegations must be**  
 12 **accompanied by a statement of facts upon which the belief is**  
 13 **founded.** *Stern v. Leucadia National Corporation*, 844 F.2d at 1003;  
 14 *Schlick v. Penn-Dixie Cement Corp.*, 507 F.2d 374, 379 (2d Cir.1974)  
 15 cert. denied, 421 U.S. 976, 95 S.Ct. 1976, 44 L.Ed.2d 467 (1975).  
 16 Therefore, since the defendant's counterclaim here has been pleaded on  
 17 information and belief, Answer at ¶ 36; Amended First Counterclaim at ¶  
 18 10, **it must be accompanied by sufficient facts to support the claim.**  
 19 Neither the original counterclaim nor the proposed amended counterclaim  
 20 add any facts specifically supporting the allegation of fraud on the part of  
 21 plaintiff in registering their use of the mark "COMO". The only allegations  
 22 that are not based upon information and belief, paragraphs 4 and 5 of the  
 23 amended first counterclaim, only contain the general allegations that  
 24 unidentified third parties had been using the "COMO" trademark prior to  
 25 the plaintiff's use. There are no names, no dates, no details which would  
 26 provide the particulars demanded by the rule. The remainder of the  
 27 amended counterclaim is alleged on information and belief, except for  
 28 paragraph 9 which merely contains a blanket allegation that plaintiff has  
 no exclusive right to the trademark "COMO". Such a general allegation  
 has been found to be insufficient on its face according to the standard of  
 Rule 9(b). *Decker v. Massey-Ferguson, Ltd.*, 681 F.2d at 114  
 (Conclusory allegations that conduct was fraudulent or deceptive  
 are not enough). Thus the amended counterclaim entirely fails to cure  
 the lack of particularity in the original claim. See *Devaney v. Chester*, 709  
 F.Supp. 1255, 1260 (S.D.N.Y.1989).

*Kash N' Gold, Ltd. v. Samhill Corp.* 1990 WL 196089, 2 (S.D.N.Y. 1990)  
 (bold emphasis added).

## 22 2. The allegation of "descriptiveness" is mere conclusion.

23 Windsor's counterclaim suffers from the same factual vacuum. Paragraph 8  
 24 pleads nothing more than Windsor's unsupported legal assumption that the term  
 25 *Monterey Pasta Company®* is "descriptive" or alternatively, "misdescriptive" (for  
 26 convenience, these grounds are combined under the term "descriptiveness"). First, the  
 27 time for Windsor to challenge this trademark on these grounds has long since come and  
 28 gone. 15 U.S.C. §§ 1058, 1065(c). Where, as here, "the registration is five or more

years old," the registration is incontestable and the "descriptiveness" grounds Windsor complains of do not apply, and may not be asserted to cancel such a mark. See, e.g., Hawes & Dwight, *Trademark Registration Practice*, § 16.6, pp. 16-11, 16-12 (Thomson/West 2007); Trademark Trial and Appeal Board Manual of Procedure ("TBMP") §§ 307.02, 309.03(c). Nor can a party seeking cancellation of an incontestable mark use grounds no longer available under the guise of some other available ground, which is exactly why Windsor now seeks to make up a fraud claim. See, e.g., *Imperial Tobacco Ltd., Assignee of Imperial Group PLC v. Philip Morris, Inc.*, supra, 899 F.2d 1575, 1580 (Fed. Cir.1990), citing *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, supra, 680 F.2d 755, 765-66 (Cust. & Pat. App. 1982).

Just as importantly, *no facts* are alleged to demonstrate that the composite term is geographically "descriptive" or "misdescriptive," or how it is, because no such facts exist.<sup>2</sup> The Court can and should ignore such conclusions on a motion to dismiss. See, e.g., *Sprewell v. Golden State Warriors*, 266 F.3<sup>rd</sup> 979, 988 (9<sup>th</sup> Cir. 2001); see also *Stack v. Lobo*, 903 F.Supp. 1361, 1367 (N.D. Cal. 1995), citing *Semegen v. Weidner*, 780 F.2<sup>nd</sup> 727, 731 (9<sup>th</sup> Cir. 1985) (holding that general conclusory allegations of fraud are insufficient); see also, *eCash Technologies, Inc. v. Guagliardo*, 127 F.Supp.2<sup>nd</sup> 1069, 1079 (C.D. Cal. 2000) (fraud disfavored in trademark). Conclusory allegations are simply a nullity. Moreover, Windsor's conclusion of "descriptiveness," and that is all that it is, forms the complete underpinning for its fraud claim, which is no more than further surmise and conjecture based upon this conclusory and factually-devoid assumption.<sup>3</sup>

<sup>2</sup> For example, Windsor does not allege that consumers were or are likely to purchase MGF's products because they favorably associate them with the Monterey region of California, or because they believe that region produces outstanding pastas and sauces. See, e.g., *Kraft General Foods, Inc. v. BC-USA, Inc.*, supra, 840 F.Supp. 344, 349-50 (E.D. Pa. 1993) (holding "Philadelphia" cream cheese not to be a geographically descriptive term); see, also, *Forschner Group v. Arrow Trading Co.*, 30 F.3<sup>rd</sup> 348, 355 (2<sup>nd</sup> Cir. 1994).

<sup>3</sup> Aside from the fact that the assertion is merely a conclusion of law, the mere fact "that a phrase or term evokes geographic associations does not, standing alone, support a finding of geographical descriptiveness." *Forschner Group v. Arrow Trading Co.*, supra, 30 F.3<sup>rd</sup> 348, 355 (2<sup>nd</sup> Cir. 1994); *Federal Treasury Enterprise Sojuzplodoimport v. Spirits Int'l N.V.*, supra, 425 F.Supp.2<sup>nd</sup> 458, 469 (S.D.N.Y. 2006). More must be alleged and proven.

1                   3.     No facts are alleged to plead fraudulent acts or intent.

2             Looking to the ensuing allegations, we see that both Paragraphs 9 and 10 are  
 3     pleaded on information and belief, as was the case in *Kash N' Gold*. Paragraph 9  
 4     asserts that on the basis of information and belief, the USPTO "was not made aware" of  
 5     the "geographically descriptive" (or alternately "misdescriptive") nature of the term  
 6     *Monterey Pasta Company®* during the application.<sup>4</sup> Paragraph 10 alleges on  
 7     information and belief that "nothing in the file wrapper indicates" the USPTO was  
 8     informed of the same allegation. *Kash N' Gold* and the cases it cites require that where  
 9     fraud allegations are made on information and belief, that "the allegations must be  
 10    accompanied by a statement of facts upon which the belief is founded." 1990 WL  
 11    196089, 2. *What is the factual basis for Windsor's belief that the USPTO was not*  
 12    *informed of material facts about the term Monterey Pasta Company® during the*  
 13    *application?* It can't simply be that the USPTO registered the mark (which Windsor  
 14    concludes is descriptive)! There has to be some factual allegation of intentionally  
 15    deceptive acts on the part of the applicant. "The party pleading fraud on the Patent and  
 16    Trademark Office must 'specify the statements that [it] contends were fraudulent' and  
 17    'explain why the statements were fraudulent.'" *Federal Treasury Enterprize*  
 18    *Sojuzplodoimport v. Spirits Int'l N.V., supra*, 425 F.Supp.2<sup>nd</sup> 458, 468 (S.D.N.Y. 2006),  
 19    citing *Shields v. Citytrust Bancorp, Inc.*, 25 F.3d 1124, 1128 (2d Cir.1994). But there are,  
 20    and can be, no specific facts alleged to meet these requirements. We can only guess  
 21    what it was that MGF supposedly did that was fraudulent, and why. That is because  
 22    there was no fraud. Mere assumption that there was will not do.

23             At page 3 of its brief, Windsor tries to finesse the scienter requirement, urging that  
 24     it may be averred "generally." But that is not the complete rule, as *Kash N' Gold* notes

25             <sup>4</sup> Windsor does not even correctly analyze the mark. The mark registered was not just  
 26     "Monterey," but rather a *composite* mark (*Monterey Pasta Company®*), "and its validity was not  
 27     judged by an examination of its parts. "Rather, the validity of a trademark is to be determined by  
 28     viewing the trademark as a whole." *California Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2<sup>nd</sup>  
 1451, 1455 (9<sup>th</sup> Cir. 1985). *California Cooler* further observes, quoting McCarthy, "a composite  
 geographical mark should not be dissected into its parts to determine whether it is primarily  
 geographical or not." *Id.*

1 Rather, "circumstances must be pleaded that provide a factual foundation for otherwise  
 2 conclusory allegations of scienter." 1990 WL 196089, 3, citing *Stern v. Leucadia*  
 3 *National Corp.*, 844 F.2<sup>nd</sup> 997, 1003 (2<sup>nd</sup> Cir. 1988); *Schlick v. Penn-Dixie Cement Corp.*,  
 4 507 F.2<sup>nd</sup> 374, 379 (2<sup>nd</sup> Cir. 1974) *cert. denied*, 421 U.S. 976, 95 S.Ct. 1976 (1975). No  
 5 such circumstances have been pleaded to provide this foundation.

6 Windsor's opposition ignores another problem in its pleading as to the elements of  
 7 false statements and scienter, and that is there is no basis for any duty on MGF's part to  
 8 formulate or disclose to the USPTO an "opinion" as to whether the term *Monterey Pasta*  
 9 *Company*® was "descriptive," "geographically descriptive," or "geographically  
 10 misdescriptive." First, opinions, right or wrong, are not actionable in fraud, whether  
 11 disclosed or not. *InterPetrol Bermuda Ltd. v. Kaiser Aluminum Intern. Corp.*, 719 F.2<sup>nd</sup>  
 12 992, 996 (9<sup>th</sup> Cir. 1983). Second, *eCash Technologies, Inc. v. Guagliardo, supra*, 127  
 13 F.Supp.2<sup>nd</sup> 1069 (C.D. Cal. 2000), holds that absent clearly established facts or rights  
 14 contrary to a party's position in the registration process, there is no duty to investigate for  
 15 and disclose facts that might arguably potentially mitigate against the application. 127  
 16 F.Supp.2<sup>nd</sup> 1080. Borrowing from the Central District's logic in *eCash*, "it is not enough  
 17 that" the party urging fraud may be able to present an argument for descriptiveness;  
 18 "they must be able to show that" the descriptive nature of the mark was "so clearly  
 19 established that [the] failure to disclose [it] to the PTO would have to constitute fraud."  
 20 127 F.Supp.2<sup>nd</sup> 1080. Of course, if the allegedly descriptive nature of *Monterey Pasta*  
 21 *Company*® had been clearly established, the USPTO would have known about it and  
 22 could not have justifiably relied on any alleged nondisclosure.

23 Nor can Windsor get by with an allegation that MGF "should have known" that its  
 24 mark was "descriptive," particularly with a claim as amorphous as alleged  
 25 "descriptiveness." Representations and disclosures made to the USPTO that are not  
 26 fraudulently intended to deceive will not constitute grounds for cancellation, even if  
 27 inconsistent or even erroneous. And the Courts require clear and convincing evidence  
 28 of such fraudulent intent. See, e.g., *Gibson Guitar Corp. v. Paul Reed Smith Guitars*,

1 *LP*, 311 F.Supp.2<sup>nd</sup> 690, 718 (M.D.Tenn. 2004).

2 Put another way, Windsor's allegations do not allege facts, which if proven, would  
 3 demonstrate that MGF knew that this mark was "descriptive" or "misdescriptive," when it  
 4 prosecuted the application, which facts are a prerequisite to pleading fraud. See, e.g.,  
 5 *Hana Financial, Inc. v. Hana Bank*, 500 F.Supp.2<sup>nd</sup> 1228, 1236 (C.D.Cal. 2007), citing  
 6 *Intellimedia Sports, Inc. v. Intellimedia Corp.*, 43 U.S.P.Q.2<sup>nd</sup> 1203, 1207 (TTAB 1997).  
 7 And under these holdings, this means that Windsor's counterclaim also fails to allege  
 8 facts to support another requisite element, that MGF "willfully deceived the PTO by  
 9 failing to disclose [material facts], in an effort to obtain a registration to which it knew it  
 10 was not entitled." *Intellimedia, supra*, 43 U.S.P.Q.2<sup>nd</sup> 1208; *Hana Financial, supra*, 500  
 11 F.Supp.2<sup>nd</sup> 1237. Brief review of Windsor's counterclaim confirms that no such facts are  
 12 alleged. It did not happen.

13 4. Windsor merely assumes reliance and causation.

14 Moving on to the element of reasonable reliance by the USPTO, there simply is  
 15 no factual allegation sufficient to sustain the claim. The *assumption* that the USPTO  
 16 would not have granted a trademark in Paragraph 11 is complete conjecture. It *assumes*  
 17 the USPTO was misled as to the true material facts, although it does not allege what the  
 18 true material facts were, why they were unknown to the USPTO or could not reasonably  
 19 have been known to it, or how MGF allegedly duped the USPTO as to the truth.  
 20 Moreover, it *assumes* that the USPTO did not have grounds it deemed sufficient for  
 21 registration of the mark, other than the unspecified fraud. The allegation is essentially  
 22 Windsor's self-fulfilling prophesy, that the USPTO must have been defrauded, otherwise  
 23 it would not have registered *Monterey Pasta Company*®. But a fraud claimant is  
 24 required to plead *facts* sufficient to establish that the harm suffered, issuance of a  
 25 registration *that would not have otherwise issued*, was a foreseeable consequence of  
 26 the misrepresentation. *Manufacturers Hanover Trust Co. v. Drysdale Sec. Corp.*, 801  
 27 F.2d 13, 20-21 (2d Cir.1986) (applying fraud elements in a commercial context).

28

1                   5.     On its face, Windsor's fraud claim is time-barred.

2             There is yet a further reason why Windsor's counterclaim fails to state a claim for  
3 relief. That is because on its face, *and coupled with Windsor's judicial admission in its*  
4 *opposition brief*, the counterclaim demonstrates that it is barred by the statute of  
5 limitations.<sup>5</sup> "A limitations defense may be raised by a F.R.Civ.P. 12(b)(6) motion to  
6 dismiss. *Jablon v. Dean Witter & Co.*, 614 F.2<sup>nd</sup> 677, 682 (9<sup>th</sup> Cir.1980); see *Avco Corp.*  
7 *v. Precision Air Parts, Inc.*, 676 F.2<sup>nd</sup> 494, 495 (11<sup>th</sup> Cir.1982), *cert. denied*, 459 U.S.  
8 1037, 103 S.Ct. 450, 74 L.Ed.2d 604 (1982). A F.R.Civ.P. 12(b)(6) motion to dismiss  
9 may raise the limitations defense when the statute's running is apparent on the  
10 complaint's face. *Jablon*, 614 F.2<sup>nd</sup> at 682." *Bower v. Foster Farms Dairy*, 2007 WL  
11 4258815, 3 (E.D.Cal. 2007).

12             Windsor avers that its counterclaim is brought pursuant to 15 U.S.C. § 1120  
13 (Section 38 of the Lanham Act). [Opposition Brief, 2:11-2:15.] Since the Lanham Act  
14 has no statute of limitations, the closest state statute is used. McCarthy on Trademarks  
15 and Unfair Competition ("McCarthy") § 31.85, citing *Official Airline Guides, Inc. v. Goss*,  
16 6 F.3<sup>rd</sup> 1385, 1395 -96 (9<sup>th</sup> Cir.1993). The *Official Airline Guides* case, like this one, was  
17 a cancellation action brought pursuant to Section 38 of the Lanham Act. The Ninth  
18 Circuit squarely held that a counterclaim for cancellation pursuant to Section 38 *arises*  
19 *on the date of the alleged fraud on the PTO*, the date "when [the applicant] procured the  
20 registration by using allegedly false statements." 6 F.3<sup>rd</sup> 1396. Applying Oregon state  
21 law for the statute of limitations, the Ninth Circuit ruled that the claim was barred  
22 because filed more than two years after the registration issued.

23             In our case, the registration that is the subject of the counterclaim was issued  
24 January 30, 1996. Applying California's statute of limitations, three years for fraud (Cal.

25             <sup>5</sup> The well-established doctrine of judicial estoppel prevents a party from taking a position  
26 in a legal proceeding, and thereafter assuming a contrary position. See, e.g., *Davis v. Wakelee*,  
27 156 U.S. 680, 689, 15 S.Ct. 555, 39 L.Ed. 578 (1895); *New Hampshire v. Maine*, 532 U.S. 742,  
28 749-51, 121 S.Ct. 1808, 1814-15 (2001); *Rissetto v. Plumbers and Steamfitters Local 343*, 94  
F.3<sup>rd</sup> 597, 600-601 (9<sup>th</sup> Cir. 1996) (judicial estoppel is intended to protect against litigants playing  
"fast and loose" with the courts).

Code of Civ. Pro. § 338), Windsor could have brought a separate action against MGF on January 30, 1996, when MGF procured the registration by using allegedly false statements or nondisclosures. Instead, Windsor has waited until April 14, 2008, more than twelve years after the cause of action accrued. This Court can properly dismiss as time-barred Windsor's counterclaim under Section 38 of the Lanham Act. *Official Airline Guides, supra*, 6 F.3<sup>rd</sup> 1395-96. It should do so *without leave to amend and with prejudice*, where the claim is on its face time-barred, and no amendment can rescue the claim from that bar.

**B. Windsor's opposition seeks to hide the truth from this Court, truth that is properly considered on a motion to dismiss, and truth that is fatal to Windsor's counterclaim on such a motion.**

**1. The Court can properly consider judicially noticeable facts on a motion to dismiss under FRCP Rule 12(b)(6).**

Windsor desperately seeks to hide the record from this Court. It even goes so far as to question the authenticity of the trademark registrations for *Monterey Pasta Company*® for which judicial notice is requested. [Opposition Brief, 4:14-25.] Windsor also suggests that this Court cannot go beyond the pleadings, and that MGF's reference to matters on judicial notice have converted this motion to dismiss into one for "summary judgment," claiming this is "not the time" for this Court to determine the validity of its counterclaim. [Opposition Brief, 4:5-4:12.] Begging Windsor's pardon, but *this motion to dismiss is the time* for the Court to examine the counterclaim, and to determine its validity as a pleading.

As shown in the analysis above, the counterclaim is not sufficient to plead fraud. But this truth is brought home even further, when the entire record is considered. Contrary to Windsor's suggestion, this is not a summary judgment motion, but a motion to dismiss under FRCP Rule 12(b)(6). Also contrary to Windsor's suggestion, on a motion to dismiss, the Court is not confined to the pleadings, but may also consider matters that are properly the subject of judicial notice. *Gay-Straight Alliance Network v. Visalia Unified School Dist.*, 262 F.Supp.2<sup>nd</sup> 1088, 1099 (E.D.Cal. 2001); *See, also*,

1 *Branch v. Tunnell*, 14 F.3<sup>rd</sup> 449, 453-54 (9<sup>th</sup> Cir. 1994), *overruled on other grounds by*  
 2 *Galbraith v. County of Santa Clara*, 307 F.3d 1119 (9<sup>th</sup> Cir. 2002); *United States v.*  
 3 *Ritchie*, 342 F.3<sup>rd</sup> 903, 907-8 (9<sup>th</sup> Cir. 2003).

4           **2.     There is no requirement for certified copies of registrations.**

5           Windsor objects to the Court's consideration of copies of MGF's trademark  
 6 registrations for *Monterey Pasta Company*® (Items 1-4, RJN), even though these copies  
 7 came straight from the USPTO's electronic tracking system. It infers that *Metro Pub.,*  
 8 *Ltd. v. San Jose Mercury News*, 987 F.2<sup>nd</sup> 637, 640-41 (9<sup>th</sup> Cir. 1993), requires certified  
 9 copies of the registrations. [Opposition Brief, 4:14-4:24.] But *Metro Publishing* simply  
 10 says that certified copies are sufficient. It does not say certification is required. Subpart  
 11 (c) of FRCP Rule 44 allows a party to prove an official record by any method authorized  
 12 by law. The trademark registrations state on their face that they are published by the  
 13 "United States Patent and Trademark Office" on its "Trademark Principal Register." That  
 14 in itself is sufficient to establish the registrations as authentic. See, e.g., *California Ass'n*  
 15 *of Bioanalysts v. Rank*, 577 F.Supp. 1342, 1356 (C.D.Cal. 1983).

16           "The authenticity of an official document is sufficiently established when a copy of  
 17 it is offered which purports to have been printed by authority of the Government." 5  
 18 Louisell & Mueller, *Federal Evidence*, § 533 at 208-09 (1981). ) "A document that on its  
 19 face appears to be an official publication comes under this provision of the rule [Rule  
 20 44(a)(1) ] unless the party opposing its admission into evidence shows that it is not in  
 21 fact an official publication." 9 Wright and Miller, *Federal Practice and Procedure*, § 2433  
 22 at 388 (1971). Windsor has not in any way demonstrated that these registrations are  
 23 forgeries. It cannot, since they come right off the PTO's website. An official document  
 24 can be considered authentic when its content, when considered with the circumstances,  
 25 is of such a nature that it is unlikely that the reports were prepared by an individual or  
 26 entity other than the government entity purporting to publish it. See, e.g., *California Ass'n*  
 27 *of Bioanalysts v. Rank, supra*, 577 F.Supp. 1342, 1356 (C.D.Cal. 1983), citing *Alexander*  
 28 *Dawson, Inc. v. National Labor Relations Board*, 586 F.2d 1300, 1302 (9<sup>th</sup> Cir.1978).

1 Nevertheless, to satisfy Windsor that MGF has not substituted forgeries for the  
 2 registrations and to ensure the Court's consideration, MGF is submitting with this  
 3 Memorandum a Declaration that authenticates these registrations (as well as the other  
 4 documents for which judicial notice is requested). [See Declaration of Kathryn J. Allen.]  
 5 Such authentication is recognized under Rule 901(b)(1) of the Federal Rules of  
 6 Evidence. Thus, the registrations and other documents on file with the USPTO are  
 7 properly before this Court.

8 **3. The Court may also take judicial notice of other documents relevant**  
 9 **to prove or disprove relevant subjects, such as incontestability, full**  
 10 **disclosure to the PTO, and lack of geographical descriptiveness or**  
 11 **misdescriptiveness.**

12 Windsor then takes exception to MGF's request for judicial notice of numerous  
 13 other publicly available documents and publications whose authenticity is not subject to  
 14 question. These documents, most of which are readily accessible over the internet, are  
 15 self-authenticating under Rule 901(b)(4), and the authorities cited above. This is  
 16 especially the case where Windsor, the "party opposing . . . admission into evidence,"  
 17 has not shown anything to the contrary. See, e.g., 9 Wright and Miller, *supra*, *Federal*  
 18 *Practice and Procedure*, § 2433 at 388 (1971). Moreover, they are authenticated by  
 19 Declaration, to satisfy any concerns. FRE Rule 901(b)(1).

20 Realizing that the Court can take judicial notice of these materials, Windsor next  
 21 attacks their relevance. First, it criticizes the numerous dictionaries and web pages (see,  
 22 e.g., Items 10-19, RJN) that demonstrate that there is no connection between Monterey,  
 23 California and pasta products. [Opposition Brief, 5:3-5:10.] Of course, that  
 24 demonstration is directly relevant to disprove the conclusory allegations in Paragraphs 8  
 25 through 10 of the counterclaim that the term *Monterey Pasta Company*® is  
 26 "geographically descriptive," and that MGF allegedly failed to disclose that alleged  
 27 conclusion to the USPTO. See, e.g., *Kraft General Foods, Inc. v. BC-USA, Inc.*, *supra*,  
 28 840 F.Supp. 344, 349-50 (E.D. Pa. 1993); *Forschner Group v. Arrow Trading Co.*, *supra*,  
 30 F.3<sup>rd</sup> 348, 355 (2<sup>nd</sup> Cir. 1994). Windsor says that this proves that the mark has no

1 secondary meaning. First, it proves just the opposite, that it has meaning other than  
 2 geographic. Second, it is way too late in the day for Windsor to request cancellation of  
 3 an incontestable mark on the grounds that it lacks secondary meaning. That ground is  
 4 gone.

5 Windsor then seeks to shunt to the side the problem of incontestability, revealing  
 6 the strategy wherein it devised its fraud claim.<sup>6</sup> It emphatically points out that its  
 7 counterclaim is based on fraud on the USPTO, and that such fraud is an exception to  
 8 incontestability. [Opposition Brief, 5:26-6:8.] But that is not MGF's "primary" argument,  
 9 or MGF's argument at all. MGF's argument, one supported by case law, is that once its  
 10 registration for *Monterey Pasta Company*® became incontestable, the mark could never  
 11 be challenged for alleged descriptiveness, geographic descriptiveness, or geographic  
 12 misdescriptiveness. See, e.g., Hawes & Dwight, *Trademark Registration Practice*,  
 13 *supra*, § 16.6, pp. 16-11, 16-12 (Thomson/West 2007); TBMP, *supra*, §§ 307.02,  
 14 309.03(c). The courts will not let a party assert a petition for cancellation on grounds  
 15 barred by incontestability, under the guise of a ground not so barred. See, e.g., *Imperial*  
 16 *Tobacco Ltd., Assignee of Imperial Group PLC v. Philip Morris, Inc.*, *supra*, 899 F.2d  
 17 1575, 1580 (Fed. Cir.1990), citing *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*,  
 18 *supra*, 680 F.2d 755, 765-66 (Cust. & Pat. App. 1982). That is MGF's argument, that  
 19 Windsor is using a factually unsubstantiated and conclusory claim of fraud as an  
 20 improper back-door way to now reargue its lost claims of alleged descriptiveness,  
 21 geographic descriptiveness, or geographic misdescriptiveness.<sup>7</sup> Windsor simply ignores  
 22 that argument and those authorities, because the only way it can manufacture a counter-  
 23 claim is to fabricate a fraud claim making those very back-door arguments. As in

24 *Imperial Tobacco Ltd., Assignee of Imperial Group PLC v. Philip Morris, Inc.*, *supra*, 899

25 <sup>6</sup> Apparently, Windsor does not object to judicial notice of MGF's Combined Declaration of  
 26 Use & Incontestability filed with the USPTO on November 13, 2001 for Registration No.  
 1,953,489, the mark in question. [Item 8, RJN.] It has filed no objection to such request, which  
 establishes the mark's incontestability on grounds of descriptiveness.

27 <sup>7</sup> One need only read Page 5 of the Opposition Brief to appreciate the fact that Windsor's  
 28 entire cancellation counterclaim is a belated effort to reargue that *Monterey Pasta Company*® "is  
 merely geographically descriptive." [Opposition Brief, 5:9.]

1 F.2d 1575, 1580 (Fed. Cir.1990), this Court should not permit it to do so.

#### 2 3 IV. CONCLUSION

4 Even if the Court does not take judicial notice of the records of the USPTO,  
5 Windsor's counterclaim should be dismissed (and without leave to amend), because it  
6 does not come close to stating facts sufficient to establish all of the requisite elements of  
7 a claim for fraud on the USPTO, and because on its face, and by Windsor's own judicial  
8 admission, the counterclaim was long ago barred by the statute of limitations.

9 But if the Court takes judicial notice of the very records that Windsor tells us it  
10 could not find in the file wrapper (§ 10, Counterclaim), the record is overwhelming to  
11 affirmatively establish that no fraud was practiced on the USPTO, and the USPTO was  
12 fully aware of the presence of MGF within Monterey County, and the lack of any  
13 geographic connection (goods-place association) between pasta and sauce products  
14 and that area. That is why Windsor pretends that judicial notice would be inappropriate,  
15 hoping that the Court cannot reach the merits of its meager allegations on a motion to  
16 dismiss! But that is the very reason why Courts can and should take judicial notice of  
17 reasonably reliable recorded facts on motions to dismiss – to reach the merits and rid  
18 their calendars of sham pleadings. *See, e.g., Mack v. South Bay Beer Distributors, Inc.*,  
19 798 F.2<sup>nd</sup> 1279, 1282 (9<sup>th</sup> Cir. 1986) (the purpose of taking judicial notice of  
20 administrative records is to permit the court to look beyond the allegations of a claim to  
21 rule on the merits without converting a motion to dismiss into one for summary  
22 judgment). Resort to the public administrative records of the USPTO reveals Windsor's  
23 fraud counterclaim to be what it is, a sham.

24 For all of these reasons, it is respectfully submitted that it is well within this Court's  
25 power to grant MGF's motion to dismiss with prejudice, and without leave to amend.  
26 *See, e.g., In re Vantive Corp. Securities Litigation*, 283 F.3<sup>rd</sup> 1079, 1097-98 (9<sup>th</sup> Cir.  
27 2002); *In re Read-Rite Corp.*, 335 F.3<sup>rd</sup> 843, 845 (9<sup>th</sup> Cir. 2003). There was no fraud  
28 committed on the USPTO, and Windsor has no factual basis to assert any, as evidenced

1 by both its own pleadings, and the administrative record.

2 Dated: June 5, 2008

3 Respectfully Submitted,

4 SHAPIRO BUCHMAN PROVINE & PATTON LLP

5  
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